

IN RE: Application of Duke Power for Approval of) ORDER
an Economic Redevelopment Rider ER(SC).)
)

Duke proposes to offer this Rider to new nonresidential customers moving into existing establishments where no investment or only minimal investment in distribution facilities is required. The customer must add a minimum of 500 kW of load, provide a specified amount of additional jobs or investment in capital, and certify that availability of the Rider was a factor in the customer's decision to locate in the Duke service area. Under the Rider, participating customers are required to enter into contract for a term of

five years and will receive a 50% credit on their total electric bill for the first year after the facility is fully operational.

Duke continues to offer its Economic Development Rider (Rider EC). Some customers, according to Duke, may qualify for both Riders but may only select to participate under one of the Riders.

We would note that S.C. Code Ann. Section 58-27-870(F)(Supp. 2001) states that the Commission may allow rates or tariffs to be put into effect without notice and hearing upon order of the Commission when such rates or tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the electrical utility, or when the rates or tariffs are for experimental purposes, or when the rates or tariffs so filed are otherwise necessary to obtain an orderly rate administration. We hold that the proposal in the present case can be put into effect without notice and hearing, since the Rider does not require a determination of Duke's entire rate structure and overall rate of return, and the Rider does not result in any rate increase to Duke.

We approve the Rider as filed. We think that the Rider certainly offers an economic incentive for new load to choose the Duke Power area, and, further, that it provides opportunities for Duke to recover the costs of facilities constructed for an original occupant of a now empty facility, to the benefit of all customers.

In addition, however, Duke shall track any resulting revenue shortfall, and the appropriate ratemaking treatment related to any shortfall is reserved for a future rate proceeding or review as determined by this Commission.

Duke shall file ten (10) copies of the Rider with this Commission within ten (10) days after receipt of this Order.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn
Chairman

ATTEST:



Gary E. Walsh
Executive Director

(SEAL)